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Human Services
Council

July 23, 2012

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MEMORANDUM TO: Fairfax County Board of Supervisors

FROM: Kevin H. Bell, Chairman 
Fairfax County Human Services Council

SUBJECT: Public Input and Council Recommendations on the Fairfax-Falls
Church Community Services Board Budget Management Plan

The Board of Supervisors in its May 22, 2012 discussion on the FY 2013 Adopted Budget Plan requested that the Human Services Council develop recommendations about the Fairfax-Falls Church Community Services Board (CSB) structural budget deficit, anticipated funding shortfalls, and potential service reductions. The Board directed the Council to obtain input from the community and collaborate with the CSB to identify areas of community consensus that would address the budget situation.

This letter provides information to the Board on the community input process and results, key issues and factors considered by the Council, recommendations on ways to address the CSB budget shortfall, and future strategy considerations.

Background

The projected CSB shortfall is due to a number of factors, including:

- a projected increase in service demands (\$2.5 million);
- projected fee and revenue shortfalls (\$2.6 million);
- long-term inadequate financing from the Commonwealth of Virginia for services (a minimum of \$1.0 million); and
- higher than estimated costs for employee benefits (\$3.3 million).

Community Input

To accomplish the Board's charge, the Council sought public comment and recommendations from community stakeholders, including the public at large, former and current service recipients, family members of individuals receiving services, association and advocacy groups, individual volunteers, county employees of other departments, citizens appointed to County Advisory Groups, partner organizations, human services leadership and agency staff.

Community Meetings: The Council held three special community meetings on June 4th, 11th and 18th, 2012. Eighty-five individuals spoke at these meetings, including former or current service recipients, family members of individuals receiving services, human services advisory group representatives, Fairfax and Falls Church city representatives and county-funded contract service providers. An estimated 250 individuals attended the community meetings.

Online comment: Four hundred persons responded with comments to the on-line survey. Responses reflected representation from all the various key stakeholder groups.

Submission of written feedback: Twenty-five individuals and groups submitted written letters.

Attachment 1 summarizes the online survey responses and individual comments provided at the public meetings.

Key Issues and Factors Considered by the Council

The Council considered carefully the following issues and factors in developing its recommendations to the Board:

- **Consequences for the Entire Human Services Population** - Human service programs affect individuals who often need many different services. The Council tried to be very cognizant of the impact of the proposed reductions to the health and safety concerns of all populations served by the entire human services system. The human services system is so complex that there could be unintended consequences resulting from actions taken.
- **Investment in Preventive Services** - The Council has long advocated about the importance of investing in preventive services that lessen the long-term impact and offset higher costs in the future.
- **Ramifications for Interconnected Human Service Finance and Delivery Systems** - The intricate relationship and balancing act of interconnected services and funding streams affect multiple services – including those directly provided and those contracted through community partners. Redirection of funding in other human services areas can exacerbate already strained service delivery in other programs and interrelated services.
- **Neglected Obligations of the Commonwealth** - The Commonwealth must be accountable for fully financing services it is obligated to provide. Evidence of its neglect are the long standing and wholly inadequate systematic underfunding of services for infants and children needing early intervention services, and programming and housing and supportive services to adults with disabilities.
- **Service Strategies for the CSB** - Like all county departments, the CSB must be better prepared to maintain services within authorized budget resources. Regardless of specific actions taken to stabilize the CSB this year, without strong service utilization management strategies, the CSB could find themselves at risk of future budget overruns.

The Council concentrated on several service strategies that might positively affect the financial position of the CSB:

- Leveraging other funding sources;
- Identifying new, but more certain, revenues to support programs. One interesting example was a community suggestion by parents offering to pay increased fees for early intervention services;

- Possibly outsourcing services to increase efficiencies, providing opportunities for more effective service utilization management, and leveraging existing provider services; and
- Reducing services without putting individuals at risk. For example, the community suggested looking at 4-day work schedules for individuals in the day employment support programs instead of increasing waiting lists.

Recommendations to Address the Projected CSB Budget Shortfall

The revised CSB financial shortfall for FY 2013 totals an estimated \$9.47 million. The Council strongly recommends that the first step in managing this CSB shortfall is that the Board of Supervisors implement the County Executive's proposal for a baseline adjustment to the carryover budget to address transfer of funds for fringe benefits (\$3.5 million). In addition, the CSB already implemented some actions to lower the deficit. These include \$0.6 million in savings associated with:

- reducing CSB management (\$307,892);
- eliminating 4/4.0 SYE administrative positions (\$156,390); and
- canceling the psychology intern program (11 month savings of \$115,568).

All these actions would leave a revised balance of \$5.4 million in anticipated budget requirements unfunded in FY 2013 for CSB-provided or -supported services and programs. It is this \$5.4 million gap that the Council's recommendations will address.

Actions Required

The CSB must make service reductions to balance its FY 2013 budget. The CSB cannot absorb cuts or redirect internal resources to cover the projected shortfall. Nor can the Council suggest to the Board any additional local government funding source.

Human Service Council Recommendations - Summary

The Council is very distressed that some of our most threatened residents, many in danger of being marginalized, will not receive services they need. The CSB fiscal situation further stresses the entire human services system. We know our CSB colleagues are equally pained. However, the reality is that our local resources cannot be stretched further, so the Council makes these recommendations with great reluctance.

The following section summarizes the Council's recommendations. A detailed list of all recommendations, including the impact of the funding reductions proposed and strategies to implement the recommendations is outlined in Attachment 2. These actions are in priority order for Board consideration. Detailed program descriptions are also included for the Board's reference in Attachment 4.

Proposed CSB Budget Management Actions Not Recommended

The Council recommends that the Board fund four services the CSB proposed for elimination in its May 8, 2012 CSB Budget Management Plan. The Council, in consultation

with CSB appointed members to the Joint Budget Management Work Group, determined that the adverse impact and ultimate higher costs in the long-term outweigh any short term financial budget savings that might otherwise be achieved. These four services are:

1. Close New Horizons \$507,732
2. Close Sojourn House \$283,768
3. Eliminate Gartlan Center Emergency Services \$111,922
4. Eliminate Daytime Shift Mobile Crisis Services \$194,658

Proposed CSB Budget Management Actions Recommended

The Council and the CSB identified the following areas for immediate implementation. These recommendations impact both directly provided services and contracted services:

Projected Unfunded Service Needs (Insufficient Baseline Budget Authority)

5. **Delay the start of Early Intervention Services for the Infant and Toddler Connection (ITC) and address the Commonwealth's responsibility to fully finance the services.** If the Commonwealth will not fulfill its obligations, the Council recommends returning the grant-funded program to the state. (The projected shortfall based on current demand estimates will remain at \$1.0 million). The Council recommends Board consideration of a set-aside of \$500,000 from County reserves in the event that state advocacy efforts fall short (see Attachment 2).
6. **Increase the baseline budget for employment and day services to fund the projected shortfall for currently served individuals with intellectual disabilities who are currently receiving services (\$1.2 million) and 19 recent public school graduates at risk (\$580,000). Services will need to be managed within the revised budget level.** Together, these two requests total \$1.8 million. The cost of providing services to 45 remaining new graduates is \$725,000. If funding for these services is not provided, none of those waiting will be served until openings occur through attrition or alternative funding is identified. The Council recommends funding the \$1.8 million increase through use of a portion of the \$4.2 million reserve (see Attachment 2).

Recommended Service Eliminations or Reduced Services Levels

7. **Eliminate 1/1.0 SYE vacant merit position associated with Northwest Mental Health Center** (Full-year savings: \$97,090). This position has been vacant for 11 months and will not affect existing service levels.
8. **Maintain rates for CSB contract services at FY 2012 funding levels** (Full-year savings: \$1,075,814).

9. **Eliminate 7/7.0 SYE merit positions and associated funding for prevention and wellness programs** (Partial-year savings: \$376,395).
10. **Consolidate directly provided services in behavioral health for youth day treatment** (Partial-year savings: \$185,226).
11. **Increase managed position vacancies within the CSB for an extended period, if not permanently** (Full-year savings: \$1,100,000).
12. **Eliminate the expansion of one unit (Intensive Community Treatment Team) supporting mental health and substance abuse treatment for homeless adults (9/9.0 SYE).** This action will not impact existing clients receiving services (Full-year savings: \$619,797).
13. **Reduce funding for CrisisLink** (Partial-year savings: \$60,000).

Potential Use of County Reserve Funds

The Council recommends the Board consider use of a portion of the \$4.2 million county reserve to address the following (in priority order):

- Fund the projected shortfall for contracted employment and day services to adults with intellectual disabilities. (\$1.8 million)
- Establish a reserve to support the Infant Toddler Connection (\$0.5 million)
- Fund FY 2013 contract rate increases for 6 months, effective January 2013 (\$0.6 million)

Short-Term Future Considerations

- **County Executive's Work Plan**
The Council reviewed the County Executive's Work Plan submitted to the Board on July 3rd and wholly supports it. Specific actions will bring about improvements and will support and strengthen the CSB's commitment to long-term financial stability.
- **Pursue adequate funding from the Commonwealth**
The Council recommends the Board establish an "accounts receivable" fund to track the monies the Commonwealth of Virginia is obligated to provide relative to fully funding its federal contract commitment for early intervention programs to infants and toddlers through the Infant and Toddler Connection (ITC) program. The county notified the commonwealth of its intention to seek alternate service delivery approaches, unless the state fully funds the projected shortfall for the program. Statewide, there is an \$8.4 million shortfall, of which approximately \$1.0 million is due to the local CSB. If funds are not appropriated in the short term (FY 2013) by the state, the Council recommends ending the relationship of the CSB as the ITC provider for Fairfax County. The Council recommends the Board include this issue in its county legislative priorities and drafted a legislative position on this issue for consideration (Attachment 3).

- **Revise Budget Approach for CSB contract rate adjustments**
In previous years, the CSB budget process incorporated a request for an “across the board” rate adjustment and corresponding increase in County General Fund budget authority for a standard rate increase for all CSB service contracts. The Council recommends revising this practice, which has constrained both the county and the CSB. Instead, a business plan and approach is needed to address service contracts individually that incorporates the market for the services, the business case for adjustments and cost drivers affecting the contract services.
- **Assign recommendations from the community to the appropriate county department for review and follow up as part of the County Executive’s Work Plan** (Attachment 1). Over 60 specific suggestions were made by the public on areas to improve work strategies in the CSB. Some of these suggestions were provided by staff. The Council recommends these strategies be reviewed and for those with merit, acted upon.

Longer-Term Considerations

- **Josiah H. Beeman Commission Recommendations need review and revision**
The Beeman Commission report is now five years old. Implementation of many of the service improvement recommendations from the Commission resulted in positive outcomes for county residents receiving services from the CSB. However, certain aspects of implementation have reportedly not occurred as envisioned. The Council recommends that the County Executive establish a review to address what has worked well, and areas needing improvement, particularly in recognition of current financial constraints. New initiatives - including the impact of federal and state actions on health care reform, and the human services-wide strategies to focus on results-based policy decision making on what works - need to be integrated into future CSB program operations.
- **Relationship between the CSB and the County**
The relationship between the CSB and the County should be strengthened. In this regard, the programs operated through the CSB are integral components of the human service system. The human service system, the financial role of local funds, and the programs it administers have all changed considerably just within the past decade. The Council supports the Board in redefining the relationship between the county and the CSB through continued dialogue and interaction as the Deputy County Executive and the Board deem necessary.

In sum, the Council expects and supports a balanced budget for the CSB, consistent with all county departments and services; the community expects it, county financial regulations require it as sound practice, and it is simply unacceptable to do otherwise.

Summary

The Council acknowledges and thanks the hundreds of individuals who took time to provide public input and comment. The information on the personal impact of services provided was very important to the Council's review process. Many of their stories were quite powerful and stand as testament to the importance of these programs. Their personal commitment to addressing the funding problems for the CSB must be harnessed to support and advocate for the need and value of the human services system.

The Council also wishes to acknowledge The Honorable Jane Woods, and Ms. Lynne Crammer, who so ably represented the Fairfax-Falls Church Community Services Board in our work together on the Joint HSC-CSB Budget Management Work Group. Henry Wulf, the Budget Chair, and I worked collaboratively and collegially with these CSB members to achieve consensus on the proposed recommendations that this document discusses. Members of the Council spent every Monday evening in June and July and countless additional hours seeking information, reviewing public input, and discussing various options and recommendations.

On behalf of the entire Council, thank you for the trust you placed with us in gathering the community's priorities for your consideration. We offer our assistance in next steps in the ongoing county work plan implementation. Please let us know how we may further assist the Board on determining appropriate next actions.

Attachments

cc: Members, Human Services Council
Edward L. Long, Jr., County Executive
Patricia D. Harrison, Deputy County Executive
Members, Fairfax- Falls Church Community Services Board